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## Viewing cable 04MANAMA864, PART II: PARTING THOUGHTS ON BAHRAIN'S POLITICAL

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cable's unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#04MANAMA864**.

Reference ID	Created	Released	Classification	Origin
04MANAMA864	2004-06-07 15:27	2011-08-30 01:44	SECRET	<a href="#">Embassy Manama</a>

Appears in these articles:

<http://www.al-akhbar.com/node/9115>  
<http://www.al-akhbar.com/node/9116>  
<http://www.al-akhbar.com/node/9117>  
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<http://www.al-akhbar.com/node/9953>

This record is a partial extract of the original cable. The full text of the original cable is not available.

S E C R E T SECTION 01 OF 05 MANAMA 000864

SIPDIS

DEPT FOR NEA DAS DIBBLE, NEA/ARP, NEA/PI  
CAIRO FOR STEVE BONDY

E.O. 12958: DECL: 06/06/2029  
TAGS: [PREL](#) [PGOV](#) [PINR](#) [KPAO](#) [KMPI](#) [BA](#)  
SUBJECT: PART II: PARTING THOUGHTS ON BAHRAIN'S POLITICAL  
AND ECONOMIC SITUATION

REF: MANAMA 863

Classified By: Ambassador Ronald E. Neumann. Reasons 1.4 (B)(D).

This is part II of my parting reflections on Bahrain.  
Reftel, Part I is the summary.

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Political  
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11. (S) Bahraini politics remain a complicated balancing act in a small polity. By no means is it a full democracy, but it is going in the right direction with parliament making real trouble and forcing real changes. If not always wise in their actions, the deputies can scarcely be discounted as non-entities. They are slowly developing new habits of dialogue across sectarian lines.

12. (S) The second chamber, the consultative council, has proved that it is more than a rubber stamp for the government as was predicted. It has established its own progressive agenda. A core of 10-15 members with professional and governmental experience has provided balance to the inexperienced and sometimes emotional deputies. The consultative chamber has also developed common ties with the deputies, which were not predicted.

13. (S) I believe increasingly that the two-house structure was wise. It prevents a zero-sum game developing between the parliament and the government. This will be all the more necessary should the Shia opposition enter the next election where they would win a significant number of seats.

14. (S) However, it is not certain that the four-party, largely Shia rejectionist opposition will choose to enter those elections. At this point, I think they will boycott. Despite extensive criticism -- above all from the Shia elite -- for having missed a significant opportunity through the last boycott, the rejectionists remain obdurate. While they frame their stance on legal and constitutional arguments, I think they are really rejecting democratic participation in a bid for immediate political power. There is no doubt that they have chosen to fight on the ground on which they are least likely to win; the monarchy has everything to lose from the ultimate concession that the opposition seeks.

15. (S) In rejecting participation, Al-Wifaq and its allies have forfeited potential political gains they might have achieved from leading parliament. The rejectionists are left with a thus far sterile strategy of mobilizing their youthful and unemployed political base to force confrontation in hopes that it will rally the broader community support it enjoyed during the 90s' uprising. Confrontation has fostered a bargaining game that could develop momentum towards the informal dialogue democracies need to reach compromise. As of now, the game is sterile because obtaining justice is more important to the rejectionists than achieving practical political goals. The absence of an off-line discussion continues to bedevil the development of participatory politics.

16. Meanwhile, Shia have broken with Al-Wifaq and voted. Shia deputies in parliament will fight for their seats. Others are likely to break with Al-Wifaq if it again boycotts. These strains could cause intra-Shia violence in 2006.

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The King  
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17. (S) The king has been too adroit to give the rejectionists the crackdown that they want. Political reform and modest economic growth have created incentives to avoid confrontation. When confrontations occur, the king has authorized only enough force to maintain essential order. Violators are frequently pardoned. When I asked him, the king admitted that he intends to avoid confrontation through the next election.

18. (S) The price for this is increased lawlessness among young people. Petty crime and attacks on the south Asian community have risen. Although not alarming, this is making the business community uneasy. The appointment as interior minister of the king's close confidante and former BDF chief of staff could herald a new effort at law and order. If so, it will come along with recruitment of new Shia police recruits. I would hazard a guess that these new recruits will lead any aggressive law and order campaign in the Shia villages. The crown prince told me that when the GOB decides to enforce the law, it wants the community behind the police.

19. (S) Overall, King Hamad remains a skillful, intuitive political leader with enormous confidence in his own judgment. His close friends tell me that he has a strong belief in his own tie to the Bahraini people. The king is sometimes impetuous, but he is prepared to change course rapidly if he finds himself in a box. He has gained enough goodwill from his early reforms that he can ride out a good

deal of criticism, although it is true that the pace of the early reforms led many to expect much more rapid change in succeeding years. I think we will not see that pace again. The king believes that a significant period is going to be needed for the evolution of political habits in Bahrain.

110. (S) He has a long-term vision of equalizing power between Sunni and Shia communities while ruling as the arbitrator between them; ultimate power will remain his. Yet, I believe Hamad is prepared to devolve more power to the parliament. He has told me that he would approve a political party law and has even encouraged some deputies to draft one. He has not lifted a finger to protect ministers who were under attack, perhaps even seeing this as a way of undercutting his uncle the Prime Minister. He has allowed the parliament to gradually force changes in pensions, social security, and probably in press and labor laws, although these are still being debated.

111. (S) The king will not cause a major rupture in the family by removing his uncle the Prime Minister. I believe that Hamad views such a family rift as both politically unwise and perhaps unmannerly. But he is speedily undercutting his uncle in significant ways. The tendering board has limited corruption. The former housing ministry has passed to a clean minister. The latest move in interior removes one of the last old guard of the PM and moves the position into Hamad's orbit. The movement is much too slow for many, but after watching it for nearly three years, it is clear that the power will continue to pass steadily, if somewhat jerkily, to the king and his son Crown Prince Salman. With power will come more political liberalization and economic reform.

112. (S) Hamad's weakness is that he has no detail men around him. In fact he is not interested in detail. His preference is to, as he says, "find the right man and let him work the details." The drawback is that the right man must often wait a long time until the wrong man is removed. I suspect few tell the king bad news but he knows this; I never found him closing his ears so long as I told him hard truths politely and in private.

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The Crown Prince  
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113. (S) Crown Prince Salman remains his father's right-hand man in economic reform. He lost some prestige last year when his well-known preference for a deeper cabinet reshuffle was beaten back by his uncle, Prime Minister Khalifa. Salman has retrenched by focusing on economic areas where he can win. He seems to be injecting himself more into security and intelligence matters. If this develops it will strengthen his base. He remains extremely popular among both Shia and Sunni Bahrainis. For some time the crown prince will be careful and will remain limited in the changes he can produce on his own. He has said he will not be prime minister and wants this role eventually to pass out of the royal family. However, that may take some years.

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Prime Minister Shaikh Khalifa bin Isa  
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114. (S) Despite real political losses, Shaikh Khalifa remains powerful because he and his team have the experience and knowledge to manage the day-to-day details running the government. I believe that Shaikh Khalifa is not wholly a negative influence. While certainly corrupt he has built much of modern Bahrain. He is dedicated to Bahrain. But he is a traditional Arab. His preference for old ways and old ministers will remain a drag on the pace of reform.

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A Society Growing More Conservative  
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115. (S) During my time on the island, Sunni and Shia alike have grown more socially conservative. At the first university graduation I attended perhaps 60 percent of the women had head coverings; the last was in excess of 95 percent. The reasons for this are many, from backlash against the dislocation of globalization to resentment of drunken Saudis in the streets on the weekend. The constituency of the Islamists is growing, increasing the political strength of the more radical fringe elements. Some areas, like opposition to alcohol or risque public singers, reverberate across the Sunni/Shia divide. In other ways a growing, but still small, radical Sunni presence intensified the differences. Thus far, the government has approached the Islamist current timidly. That strategy won't work forever. My guess is that the king will follow the same path he has with the Shia; letting the excesses build up social irritation on which he can finally move with public support.

116. (S) Beyond a particular security dimension that

concerns us, the Islamists are primarily a challenge to the future character of Bahrain. The businessmen, intellectuals, social liberals and others who want a freer society in the future are beginning to think about how to resist conservative pressures. They have not yet coalesced. But they are talking about action where last year they ran from politics. In this, Bahrain is a small representative of a social struggle throughout the Arab world.

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Regional Situation and the U.S. Alliance  
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17. (S) Bahrain is vulnerable to tensions from the outside. The Khobar shooting was 35 miles from Manama. The king, prime minister and crown prince are unified in their determination to preserve the U.S. alliance as the cornerstone of Bahrain's external security. They know this increases their vulnerability to criticism from pan Arab sentiments and ever-growing resentment of our Palestinian policies. They, and particularly King Hamad, have elected to take a more public stance in support of key U.S. policies than is the norm for Arab leaders, betting that this will strengthen our ties. They deeply believe we should do more to rebalance our Palestinian policies, but they recognize Bahrain lacks the leverage to induce us to change.

18. (S) Whether by government management or popular understanding, we have been fortunate that Bahrain's security relationship with us has not been a major focus of public concern. Demonstrations about U.S. policy have focused on the Embassy and not on the naval base. Since we are not quite sure why this is we are limited in our ability to forecast what political events might trigger public strains. Ultimately the alliance works because the GOB wants it and the king and royal family will defend the relationship. But as liberalization continues we have to be more and more sensitive to the need to measure carefully actions that might trigger public attacks on the security relationship. Pushing an ICC exclusion (Article 98) in the face of Abu Ghraib is symptomatic of ignoring our problem.

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The Economy  
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19. (S) Economic problems massively underpin political instability. The economy has advanced with both budget surpluses and growing jobs, but unemployment, concentrated particularly in the Shia ranks and a growing youth bulge remain. With few natural resources, stagnant oil production, and an expanding population, Bahrain is paying the price for having structured an economy based on low wage, south Asian labor rather than high productivity, better paid Bahrainis. Economic reforms, which we support strongly, are, at best, only a portion of what is needed to break out of this misdirected model. Powerful members of the business community and royal family have vested interest in the current system. Raising the productivity level of young Bahrainis to make economically feasible paying a living wage is also a long-term project. Until Bahrain makes headway with these intractable issues, unemployment will fuel the discontent of the opposition.

20. (S) There is a growing divide between the very wealthy and the very poor. This feeds the sense of frustration and grievance. Until the economy improves there is the risk that the frustrations will move either back into demonstrations in the street or into political challenges through the parliament that may not be containable by the methods used so far.

21. (S) King Hamad knows this and it is driving a number of economic decisions. The crown prince's court is engaged in an intensive effort with labor and business to identify a way forward. Paradoxically, the troubles in Saudi Arabia may lead to some increase in regional service business or the dependence of those engaged in such business moving from the eastern province to Bahrain. By the same token, a terrorist incident in Bahrain or rapid departure of the foreign community could seriously imperil this state's security.

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What It All Means for U.S. Policy  
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22. (S) Basically, we are on the right track. We continue to publicize legitimate grievances by means of actions ranging from the human rights report to periodic quiet conversations that I've had with the most senior leadership to keep them moving forward with reform. We are continually telling the opposition that we will not save them from their own stupidities and urging them to get in the game. This will all come into fresh focus in the next election. Until then, NDI, as the chosen vehicle of U.S. support for democracy, has done a magnificent job in keeping doors open across the political spectrum and working to develop improved

habits and practices of democracy. We must continue to fund those efforts lavishly.

123. (S) We continue to see that many of the habits of democratic practice are not established. Compromise is not an immediate virtue. The Arab propensity to look for justice may even be in opposition to the "half a loaf" notion of democratic compromise. Civic society is weak. There is no habit of going to the courts to settle political issues. We are working on all of these fronts with our quiet MEPI-funded programs for strengthening judicial reform, civic education, and civic society. In doing so we have to be careful not to become our own worst enemy. The American imprimatur is not welcome in vast portions of the Arab world, including Bahrain. Our desire to take credit and to put a U.S. label on programs will often be antithetical to their success. But success in building stability and democratic habits are our real objectives. We have to keep that in focus when are tempted to take short-term public credit.

124. (S) Bahrain is far from perfect, but it is one of the best examples in the Arab world of economic reform. If other societies are going to be encouraged to pay the politically painful prices of similar reforms, they need to see success for reform in Bahrain. By signing the FTA and validating Bahrain's direction, we have made it in our interest as well as Bahrain's to seek investment and job growth. Recognizing that we cannot order the private sector to invest, we must nevertheless do everything in our power in the next year to encourage effective, focused business dialogues on both sides. Absent the need to support another war, I believe this will be the leading bilateral policy challenge of the immediate future.

125. (S) Every program suffers to some extent from being executed in a hostile, public climate. I believe we have done as much or more than any mission our size in fighting the media battle from placements to interviews by senior embassy staff, to the use of speakers. I am sure this tradition will continue, but until the media climate changes, every other program, outside perhaps the security and military fields, will operate with a drag. Fundamentally this is a difference over policy not packaging. To the extent that packaging can help, it is speakers, personal contacts and two-way visits that preserve the fragments of dialogue and mutual understanding that exist. My own belief from three years in this media climate is that every dollar of face-to-face contact is worth one hundred spent in the electronic media that is either ignored or almost instantaneously rejected.

126. (S) Despite the difference and the hostile media climate we have come a long way in an already excellent relationship with Bahrain. We have excellent people, both American and local staff. They are dedicated, working often long hours and sometimes at risk. We have stretched them terribly with the demands of two wars and support for Iraq. These are issues far larger than this small post, but it will be important that this post, like many others, continue to receive the expanding support that it has gotten over the last three years. Our interests are growing and we must not return to the contracting resource policies of the past.  
NEUMANN